



Consumer Title

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March hello from Sue: *Happy Spring! Well the tax credit is still available for the next month, April 30 for under contract, to close by June 30; and a new program to help expedite short sales starts April 5...*

Contact me at stes@ctmaine.com if you have comments, or to be removed or added to this list.



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Bangor – 5/25/2010
The RESPA Revisions
are in effect as of
January 1.
How will they affect
you?

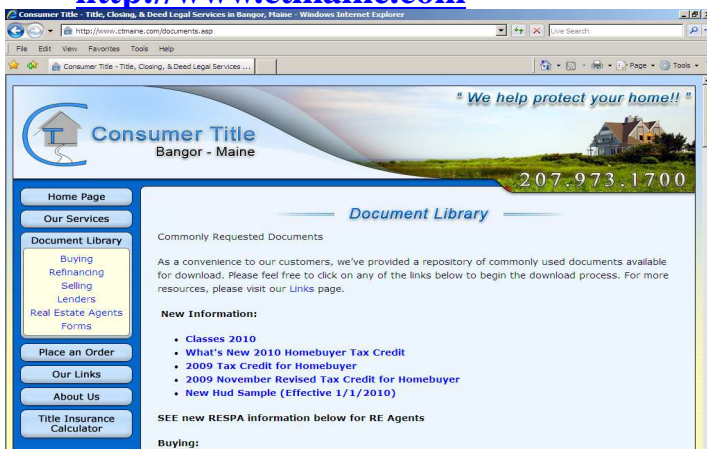
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Check out all the new RESPA contract language on our Website!

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Help from the Treasury for Short Sales?

A new program, voted in November 30, 2009 and taking effect on April 5, 2010 could provide some assistance for sellers and their buyers, looking at a “short sale” (*short sale* is a process in which the property is sold for less than the balance of the current mortgage(s).)

The Short Sale is still going to be a process, but hopefully this new program will encourage lenders to respond in a timely consistent manner.

Under the new program, the process to request a short sale is defined, lenders are required to identify their process for short sales, and time limits are set. Incentives are offered: the servicing bank, as with all modifications, will get \$1,000. Another \$1,000 can go toward a second loan, if there is one. And for the first time, the government would give money to the distressed homeowners themselves. They will get \$1,500 in “relocation assistance.”

“We want to streamline and standardize the short sale process to make it much easier on the borrower (seller) and much easier on the lender,” said Seth Wheeler, a **Treasury** senior adviser.

Should the incentives prove successful, the short sales program could have multiple benefits. For the investment pools that own many home loans, there is the prospect of getting more money with a sale than with a foreclosure.

For the borrowers (sellers), there is the likelihood of suffering less damage to credit ratings. And as part of the transaction, they will get the lender’s assurance that they will not later be sued for an unpaid mortgage balance.

For communities, the plan will mean fewer empty foreclosed houses waiting to be sold by banks. By some estimates, as many as half of all foreclosed properties are ransacked by either the former owners or vandals, which depresses the value of the property further and pulls down the value of neighboring homes.

For ALL the information see:

https://www.hmpadmin.com/portal/docs/hamp_servicer/sd0909.pdf

Title Insurance Claim True Story Faked Out

Plainview, NY -They say you can't judge a book by its cover; likewise you can't always understand a document by its title. Asked to handle a sale of this home, First American's agent turned up a federal tax lien against the sellers (and the property) in the amount of \$84,504. But the sellers assured the agent the lien had been taken care of. As proof, they produced a bad copy of an IRS form titled "Release of Levy," describing the property and duly signed by an IRS agent. So the agent closed without taking an exception for the tax lien in the new owners' title policy.

Real Useless- The release was real, but not all it was represented to be. - It turned out the departing sellers had taken care of the tax lien only in the sense that they had entered into an installment payment agreement with the IRS. The "Release of Levy" was nothing more than the IRS's promise to forego collection efforts so long as the taxpayers made their installment payments.

Soon after closing the payments stopped, and the IRS threatened to execute against the property for an unpaid balance of \$41,572. First American paid this amount to get the real thing, an IRS form titled "Certificate of Release of Federal Tax Lien," clearing the lien.

MORAL: To be relied upon, a release should be full, final and unconditional. If a release includes any conditions, or if it recites any understanding or expectation of the releasing party which is not yet satisfied, then it will only become effective (if at all) in the future - and it can't be presently relied on.